ORIGINAL

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Kevin P. Weimer, Clerk
By
Deputy Clerk

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

UNITED STATES OF AMERICA

v.

ALEEM RASHID

Criminal Indictment

No. 1:21-CR-0259

UNDER SEAL

THE GRAND JURY CHARGES THAT:

Background

At all times relevant to this Indictment:

The Defendant and His Co-Conspirators

1. ALEEM RASHID ("RASHID") was an individual residing in the State of Georgia who claimed ownership of Dream Team Real Estate, a Georgia corporation.

2. Darrell Thomas was an individual residing in the State of Georgia who claimed ownership, and was the Chief Financial Officer, of Bellator Phront Group Inc., a Georgia corporation. As of May 21, 2020, Darrell Thomas claimed to be the Chief Executive Officer, Secretary, and registered agent of Elite Executive Services Inc., a Georgia corporation.

3. Meghan Thomas was an individual residing in the State of Georgia who was associated with Bellator Phront Group Inc. and Elite Executive Services Inc.

4. Teldrin Foster was an individual residing in the State of Georgia.

The Small Business Administration

5. The United States Small Business Administration ("SBA") was an executive branch agency of the United States government that provided support to entrepreneurs and small businesses. The mission of the SBA was to maintain and strengthen the nation's economy by enabling the establishment and viability of small businesses and by assisting in the economic recovery of communities after disasters.

6. As part of this effort, the SBA enabled and provided for loans through banks, credit unions, and other lenders. These loans had government-backed guarantees.

The Paycheck Protection Program

7. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was a federal law enacted in or about March 2020 that was designed to provide emergency financial assistance to the millions of Americans who are suffering the economic effects caused by the COVID-19 pandemic.

8. One source of relief that the CARES Act provided was the authorization of up to $349 billion in forgivable loans to small businesses for payroll, mortgage interest, rent/lease, and utilities, through a program referred to as the Paycheck Protection Program ("PPP"). Congress has since authorized additional PPP funding.

9. The PPP allowed qualifying small businesses and other organizations to receive PPP loans. Businesses must use PPP loan proceeds for

payroll costs, interest on mortgages, rent, and utilities. The PPP allowed the interest and principal on the PPP loan to be entirely forgiven if the business spent the loan proceeds on these expense items within a designated period of time and used a certain percentage of the PPP loan proceeds for payroll expenses.

10. The amount of a PPP loan that a small business may have been entitled to receive was determined by the number of employees employed by the business and the business's average monthly payroll costs.

11. In order to obtain a PPP loan, a qualifying business was required to submit a PPP loan application, which was signed by an authorized representative of the business. The PPP loan application required the business (through its authorized representative) to acknowledge the program rules and make certain affirmative certifications in order to be eligible to obtain the PPP loan. In the PPP loan application, the small business (through its authorized representative) had to state, among other things, its (a) average monthly payroll expenses and (b) number of employees. These figures were used to calculate the amount of money the small business was eligible to receive under the PPP. In addition, businesses applying for a PPP loan had to provide documentation showing their payroll expenses.

12. The SBA oversaw the PPP. However, individual PPP loans were issued by private, approved lenders who received and processed PPP applications and supporting documentation, and then made loans using the lenders' own funds, which were 100% guaranteed by the SBA. Data from the application, including information about the borrower, the total amount of the

loan, and the listed number of employees, was transmitted by the lender to the SBA in the course of processing the loan.

Relevant Financial Institutions and Affiliates

13. Financial Institution 1 was an FDIC-insured financial institution headquartered in San Francisco, California. Financial Institution 1 participated in the SBA's PPP as a lender, and, as such, was authorized to lend funds to eligible borrowers under the terms of the PPP.

14. Financial Institution 2 was a non-bank financial institution headquartered in Laguna Hills, California. Financial Institution 2 participated in the SBA's PPP as a lender, and, as such, was authorized to lend funds to eligible borrowers under the terms of the PPP.

15. Bank 1 was an FDIC-insured financial institution based in San Francisco, California with branches throughout the United States.

16. Bank 2 was an FDIC-insured financial institution based in Charlotte, North Carolina with branches throughout the United States.

Count One

Conspiracy to Commit Wire Fraud – 18 U.S.C. § 1349

17. The Grand Jury re-alleges and incorporates by reference the factual allegations contained in paragraphs 1 through 16 of this Indictment as if fully set forth herein.

18. From in or about April 2020 through in or about May 2020, the exact dates unknown, in the Northern District of Georgia and elsewhere, the Defendant,

ALEEM RASHID,

did knowingly and willfully combine, conspire, confederate, agree, and have a tacit understanding with Darrell Thomas, Meghan Thomas, and Teldrin Foster, and with others known and unknown to the Grand Jury, to devise and intend to devise a scheme and artifice to defraud, and to obtain money and property, by means of materially false and fraudulent pretenses, representations, and promises, and by the omission of material facts, well knowing and having reason to know that said pretenses were and would be false and fraudulent when made and caused to be made and that said omissions were and would be material, and, in so doing, caused interstate and foreign wire communications to be made, in furtherance of the scheme and artifice to defraud, in violation of Title 18, United States Code, Section 1343.

Manner and Means

19. RASHID, together with Darrell Thomas, Meghan Thomas, and Teldrin Foster, and with others known and unknown to the Grand Jury, conspired to submit false materials, such as a false PPP loan application and false IRS Form 941s to a financial institution to obtain PPP loan funding.

20. Throughout the conspiracy, RASHID utilized interstate wires to submit and assist in the submission of false documents to a lender when applying for a PPP loan, including fabricated IRS Form 941s listing falsified payroll information and false loan application documentation that listed false payroll information, false employment information, and a false purpose for the loan funding.

21. As a result of and based on RASHID's false representations and certifications and falsified supporting documents, Financial Institution 2 issued an approximately $799,955.35 PPP loan to Bellator Phront Group Inc.

All in violation of Title 18, United States Code, Section 1349.

Count Two

Wire Fraud – 18 U.S.C. § 1343 and § 2

22. The Grand Jury re-alleges and incorporates by reference the factual allegations contained in paragraphs 1 through 16 and 19 through 21 of this Indictment as if fully set forth herein.

23. On or about April 21, 2020, in the Northern District of Georgia and elsewhere, the Defendant,

ALEEM RASHID,

aided and abetted by Darrell Thomas, Meghan Thomas, and Teldrin Foster, and by others known and unknown to the Grand Jury, for the purpose of executing and attempting to execute the aforementioned scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and by omission of material facts, did, with intent to defraud, cause to be transmitted by means of a wire communication in interstate and foreign commerce certain writings, signs, signals, and sounds, namely, a PPP Borrower Application Form containing false information related to Bellator Phront Group Inc.'s payroll expenses and the purpose of the applied-for PPP loan and attaching falsified tax documentation for each quarter of 2019.

All in violation of Title 18, United States Code, Section 1343 and Section 2.

Count Three

Bank Fraud – 18 U.S.C. § 1344 and § 2

24. The Grand Jury re-alleges and incorporates by reference the factual allegations contained in paragraphs 1 through 16 of this Indictment as if fully set forth herein.

25. On or about April 15, 2020, in the Northern District of Georgia and elsewhere, the Defendant,

ALEEM RASHID,

aided and abetted by others known and unknown to the Grand Jury, did knowingly execute and attempt to execute a scheme and artifice to defraud Financial Institution 1, the deposits of which were then insured by the FDIC, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, and by omission of material facts, certain moneys, funds, credits, assets, securities, and other property owned by and under the custody and control of Financial Institution 1.

Execution of the Bank Fraud Scheme

26. On or about April 15, 2020, in the Northern District of Georgia and elsewhere, Defendant RASHID did knowingly execute and attempt to execute the above-described scheme to defraud by causing false payroll summaries, false pay stubs, and a false profit and loss statement to be transmitted to Financial Institution 1 and making false representations and certifications to Financial

Institution 1 regarding Dream Team Real Estate's payroll costs and the purposes of the applied-for PPP loan.

All in violation of Title 18, United States Code, Section 1344 and Section 2.

Count Four

Wire Fraud – 18 U.S.C. § 1343 and § 2

27. The Grand Jury re-alleges and incorporates by reference the factual allegations contained in paragraphs 1 through 16 of this Indictment as if fully set forth herein.

28. On or about April 15, 2020, in the Northern District of Georgia and elsewhere, the Defendant,

ALEEM RASHID,

aided and abetted by others known and unknown to the Grand Jury, for the purpose of executing and attempting to execute the aforementioned scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and by omission of material facts, did, with intent to defraud, cause to be transmitted by means of a wire communication in interstate and foreign commerce certain writings, signs, signals, and sounds, namely, a PPP Borrower Application Form containing false information related to Dream Team Real Estate's payroll obligations and the purposes of the applied-for PPP loan, and attaching a falsified payroll summary, falsified pay stubs, and a falsified profit and loss statement.

All in violation of Title 18, United States Code, Section 1343 and Section 2.

Count Five

False Statement to a Federally Insured Bank – 18 U.S.C. § 1014 and § 2

29. The Grand Jury re-alleges and incorporates by reference the factual allegations contained in paragraphs 1 through 16 of this Indictment as if fully set forth herein.

30. On or about April 15, 2020, in the Northern District of Georgia, the Defendant,

ALEEM RASHID,

aided and abetted by others known and unknown to the Grand Jury, knowingly made a false statement for the purpose of influencing the actions of Financial Institution 1, in that the Defendant signed and initialed a PPP Borrower Application Form for Dream Team Real Estate falsely certifying that (a) the funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments; and (b) the information provided in the application and in all supporting documents and forms is true and accurate in all material respects.

All in violation of Title 18, United States Code, Section 1014 and Section 2.

Count Six

Money Laundering – 18 U.S.C. § 1956 and § 2

31. The Grand Jury re-alleges and incorporates by reference the factual allegations contained in paragraphs 1 through 16 of this Indictment as if fully set forth herein.

32. On or about August 7, 2020, in the Northern District of Georgia, the Defendant,

ALEEM RASHID,

aided and abetted by others known and unknown to the Grand Jury, knowingly conducted and attempted to conduct a financial transaction affecting interstate and foreign commerce, to wit, making an approximately $55,000 wire transfer from Bank 1 account ending in 8068, held in the name of Dream Team Real Estate, to Samba Bank Limited (Pakistan) account ending in 8077, held in the name of A.B.A., which involved the proceeds of a specified unlawful activity, that is bank fraud, in violation of Title 18, United States Code, Section 1344, and wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the transaction was designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, and while conducting and attempting to conduct such financial transaction knowing that the property involved in the financial transaction represented the proceeds of some form of unlawful activity.

All in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i) and Section 2.

Forfeiture Provision

33. Upon conviction of one or more of the offenses alleged in Counts One through Five of this Indictment, the Defendant, ALEEM RASHID, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(2),

any property constituting, or derived from, proceeds obtained, directly or indirectly, as a result of the violation, including, but not limited to, the following:

a. Money Judgment: A sum of money in United States currency representing the amount of proceeds obtained as a result of each offense, or conspiracy to commit such offense, for which the Defendant is convicted.

34. Upon conviction of the offense alleged in Count Six of this Indictment, the Defendant, ALEEM RASHID, shall forfeit to the United States pursuant to Title 18, United States Code, Section 982(a)(1), any property, real or personal, involved in such offense, or any property traceable to such offense, including but not limited to the following:

a. Money Judgment: A sum of money in U.S. currency representing the value of the property involved in the offenses for which the Defendant is convicted.

35. If, as a result of any act or omission of the Defendant, any property subject to forfeiture:

(a) cannot be located upon the exercise of due diligence;

(b) has been transferred or sold to, or deposited with, a third party;

(c) has been placed beyond the jurisdiction of the court;

(d) has been substantially diminished in value; or

(e) has been commingled with other property which cannot be divided without difficulty, the United States intends, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b), to seek forfeiture of any other property of the Defendant up to the value of the forfeitable property described above.

A True BILL

FOREPERSON

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